

STATE OF CALIFORNIA

Public Utilities Commission  
San Francisco

**M e m o r a n d u m**

**Date:** April 2, 2003

**To:** The Commission  
(Meeting of April 3, 2003)

**From:** Alan LoFaso, Legislative Director  
Office of Governmental Affairs (OGA) — Sacramento

**Subject: AB 451 (Lowenthal) Cellular Telephone Billing Statements**

As Introduced February 14, 2003

**Legislative Subcommittee Recommendation:** Support in concept.

**Summary:** This bill would require cellular telephone service providers to include a detailed service plan table in their customer's account billing statements.

**Analysis:** Existing law does not require cellular telephone service providers to disclose on a customer's bill certain details about their service plan.

This Bill would amend the Business and Professions Code and require cellular telephone service providers to disclose specified items on a customer's phone bill (see below for specifics).

On June 6, 2002, the California Public Utilities (CPUC) issued the Telecommunications Bill of Rights (BOR) draft, Rulemaking 00-02-004. This open proceeding, currently before the commission, was initiated to ensure that all telecommunication consumers are protected from unfair business practices with certain basic rights. As it pertains to cellular phone customer bills, the BOR would require that all rates, terms and conditions for services ordered are accurate and understandable, as specified below.

While both this bill and the BOR address the issue of disclosure of information on customer bills, their approaches differ.

The only correlation between this bill and the BOR is a requirement that cellular phone customer bills display the plans' monthly charge. Again, their approaches differ:

- This bill would require that carriers disclose “The monthly base charge for the plan.” (AB 451, as introduced February 14, 2003, page 2, line 7.)
- The BOR would require that cellular phone customer bills “reflect only services they have ordered at prices they have agreed to.” (Rule 6: Billing, p.51)

This bill would require disclosure of all of the following items:

- Monthly plan charge;
- Service plan name;
- Calling-from area;
- Plan minutes and when they can be used;
- Cost for extra minutes;
- Cost for long-distance min;
- Cost for roaming;
- Cost for directory assistance;
- Length of contract;
- If there is a early termination penalty;
- If there is a tryout period;
- If there is a start-up fee.

The CPUC’s BOR would require cellular carriers (in addition to all other telecommunications service providers) to abide by the following terms and conditions:

- Bills shall be clearly organized;
- Bills shall only include subscriber-authorized charges;
- Bills shall associate each service with the service provider responsible for placing that charge;
- Bills shall group charges by carrier;
- Bill charges shall be accompanied by a brief and clear description;
- Bills must display what charges must be paid to retain basic service;
- Bills shall list taxes and fees in a separate section;
- Bills shall include a message stating if there is a problem, customers should contact carrier first then a regulator.

(See attached table for comparison.)

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**Date:** April 2, 2003

**BILL LANGUAGE:**

BILL NUMBER: AB 451      INTRODUCED  
BILL TEXT

INTRODUCED BY    Assembly Member Lowenthal

FEBRUARY 14, 2003

An act to add Section 17052 to the Business and Professions Code, relating to cellular telephone service.

LEGISLATIVE COUNSEL'S DIGEST

AB 451, as introduced, Lowenthal. Cellular telephone service billing statements.

Existing provisions of the Unfair Practices Act require all cellular telephone retailers to post signs located at the point of purchase containing a specified notice. The act prohibits a retailer of cellular telephones from refusing to sell a cellular telephone to a customer based on the customer's refusal to activate the telephone with a specified provider. A violation of the act is a crime.

This bill would add provisions to the Unfair Practices Act that would require a cellular telephone service provider to include in a customer's bill specified information relating to the customer's calling plan, including information regarding the minutes included in the plan, rates for additional minutes, rates for certain services, and contract terms and conditions.

Because this bill would add new requirements to the Unfair Practices Act, the violation of which is a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 17052 is added to the Business and Professions Code, to read:

17052. A cellular telephone service provider shall include in a customer's cellular telephone service account billing statement a table that provides the following information regarding the service plan that applies to the customer's account:

- (a) The name, if any, of the service plan.
- (b) The calling-from area.
- (c) The monthly base charge for the plan.
- (d) The minutes included in the plan, specifying the days and times that the minutes apply to.
- (e) The cost per minute for minutes in excess of the minutes included in the plan.

- (f) The amount per minute charged for long-distance minutes.
- (g) The cost per minute for roaming on other carriers.
- (h) The cost per call for directory assistance.
- (i) The length of the contract.
- (j) Any early termination penalty.
- (k) Any tryout period during which there will be no penalty for early termination.
- (l) The start-up fee, including whether this fee is refundable.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.